

Argument in Favor of Proposition 78

Proposition 78 offers Californians struggling with high prescription drug costs real help, right now. Prop. 78 is a proven program that can take effect immediately, and will deliver critically needed prescription drug discounts to millions of seniors and low income, uninsured Californians.

Known as Cal Rx, Proposition 78 offers Californians the best prescription drug discount program in the country. It is an improved version of a successful program already operating in Ohio that is delivering discounts averaging 31%, saving consumers \$15.31 on every covered prescription. Every major prescription drug manufacturer participates in the Ohio program.

"This program is a lifesaver. My family saves \$150 a month on prescription drugs for my husband's heart condition. For us, it's a miracle."

Robin Ford, Canton, Ohio

Proposition 78 is even better than the Ohio program. The California Department of Health Services concludes that the Cal Rx program enacted by Proposition 78 will result in discounts of over 40% to millions of eligible Californians. State officials say that Cal Rx prices will compare favorably to prices in Canada.

Here's how Proposition 78 works:

- The program covers seniors and the uninsured with family incomes up to \$58,000 annually.
- Manufacturers will provide prescription drugs to the Cal Rx program at the lowest commercial price they sell to anyone in California and pharmacists will provide additional discounts. According to state officials, the average discount will be at least 40% off regular retail prices.
- Prop. 78 also makes it easier for people to get access to new and existing free drug programs, meaning even more savings for consumers.
- Enrollment is simple. People can sign up at their local pharmacy.

- Prop. 78 does not require a big government bureaucracy to implement. The discounts go right to the patient in their community.
- ALL drugs are eligible for discounts under Proposition 78, not just those on a government determined list.

"Proposition 78 offers real hope to millions of Californians who currently don't have access to affordable prescription medications. We want all Californians in need to have access to prescription medications and Proposition 78 will do that."

Rick Roberts, HIV/AIDS Patient and Activist

Proposition 78 enjoys bipartisan support. It is supported by groups representing seniors, patients, taxpayers, and small businesses across the state. A *Los Angeles Times* news report found Prop. 78, "would offer one of the most extensive discounts in the country."

Proposition 78 will bring real help, right now. It can go into effect immediately and begin delivering deep discounts on prescription drugs, helping millions of seniors and low income, uninsured Californians.

There are two prescription drug discount proposals on the ballot, but only Proposition 78 will work. Unlike the other proposal, Prop. 78 doesn't require federal approval, provides discounts on a wider range of drugs, doesn't depend on a big government bureaucracy to be implemented, and won't result in costly litigation by trial lawyers.

Please, join seniors, taxpayers, consumers, patient advocates, health care professionals, and small businesses, and VOTE YES on Proposition 78.

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Rebuttal to Argument in Favor of Proposition 78

Why are Californians struggling with high drug prices? Because the drug companies funding Prop. 78 charge high prices.

If drug companies want to offer discounts voluntarily, they can do it today, without an initiative, without a new program.

- Prop. 78 provides smaller discounts to fewer people and does not allow the state to enforce the discounts. This approach already failed in California.
- Prop. 79 builds on existing efforts that have saved taxpayers billions. It gives more middle and low income Californians bigger discounts that can be enforced.

PROP. 78 USES AN APPROACH THAT HAS FAILED IN CALIFORNIA AND ELSEWHERE

In 2001, California created the Golden Bear State Pharmacy which relied on drug companies to voluntarily lower their prices. The state shut it down because very few drug companies agreed to participate.

Prop. 78 uses the same failed approach.

PROP. 78: SMALLER DISCOUNTS, FEWER PEOPLE, NO ENFORCEMENT

Drug companies face no penalty under Prop. 78 if they fail to provide discounts and the industry can shut down Prop. 78 at any time by failing to participate. Prop. 78 does not require any, much less all, drugs to be discounted, and it offers smaller discounts to fewer people.

DON'T BE FOOLED: If Prop. 78 gets more votes than Prop. 79, drug companies win and Californians lose.

That's why drug companies contributed more than \$50 million to pass Prop. 78 and defeat Prop. 79. That's why consumers, seniors, unions, nurses, and doctors say VOTE NO on 78 and YES on 79.

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